

California Department of Education
2001-2002 E-rate/CTF Training

California Teleconnect Fund (CTF) Program

A Program of the California Public Utilities
Commission (CPUC)

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History of the CTF Program

- The CPUC established the CTF Program on October 25, 1996, (Decision 96-10-066), consistent with:
 - Telecommunications Act of 1996, (federal), and
 - Assembly Bill 3643 (state)

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Purpose of the CTF Program

To position qualified organizations to be early recipients of the benefits of advanced telecommunications technology

- Schools and libraries (to receive 50% discount)
- Hospitals & Health Clinics, and
- Community Based Organizations

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Funding for the CTF Program

- Funded by all end users of telecommunications services through a surcharge (currently at 0.185%) on their telecommunications bills (surcharge % will change in November 2001)

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Funds Available for CTF Discounts

- Currently at \$50 Million per year
 - \$40 Million for qualifying schools & libraries)
 - \$5 Million for qualifying hospitals & health clinics)
 - \$5 Million for qualifying CBOs
- In FY 2002-2003 \$55 Million/Year will be available for CTF discounts

Who is eligible for CTF?

Public Schools

- Recognized by the California Dept. of Education (CDE)
- Providing elementary or secondary education (i.e., K-12)
- Not having endowments of more than \$50M

Who is eligible for CTF discounts?

Private Schools:

- That are non profit private schools (must provide a tax exempt statement from IRS)
- Providing elementary or secondary education (i.e., K-12)
- Not having endowments of more than \$50M

Who is eligible for CTF discounts?

Libraries

- Eligible to participate in state-based plans for funds under Title III of the Library Services and Construction Act (20 USC Section 335c et seq.)
- Must be certified by the State Library

Who is eligible for CTF discounts?

Hospitals & Health Clinics

- Municipal and county government owned and operated hospitals and health clinics

Who is eligible for CTF discounts?

Community Based Organizations

- Only tax exempt organizations (as described in Section 501 (c) (3) or 501 (d) of the Internal Revenue Code, Title 26 of the U.S. Code; and
- Offering health care, job training, job placement or educational instruction

Who is eligible for CTF discounts?

Consortia

- Two or more qualified CTF entities may form a consortium to benefit from lower contract rates. A consortium may include non-eligible CTF entities, but only eligible CTF entities will receive CTF discounts
- Digital California Project (DCP) is a consortium eligible for CTF discounts

Eligible CTF Services for Schools and Libraries

- Measured business or its functional equivalent
- Switched 56 or its functional equivalent
- Integrated Services Digital Network (ISDN) or its functional equivalent
- T-1
- OC3-OC192

Services Eligible for CTF Discounts

- Functional equivalents of a Company's Services Eligible for CTF discounts vary for each company or service provider
- For example, PBX & Centrex services are functional equivalents of measured business service.

Percentage Discounts to Qualified Entities

Schools and Libraries

- 50% below the rates (tariffed rate or negotiated rate) charged to other businesses for the same services or their functional equivalents

Charges/Taxes Eligible for CTF Discount

Monthly Recurring Charge

- Company Specific Surcharge/Surcredit
- CPUC User Fee - Currently at .11%
- Federal Excise Tax - Currently at 3%
- 911 Tax - Currently at .72%
- Local/City Tax - Varies

Charges Not Discounted by CTF

- Non-recurring charges (e.g., installation charge)
- Usage Charges

Charges/Taxes Covered by the CTF Program

- The taxes and surcharges or surcredits covered by the CTF Program are based only on the approved CTF discount amounts.

No Resale or Sharing of CTF Discounted Services

- The CTF discount services may not be resold to, or shared with, any other non-qualifying entity or person.

CTF Application Process

Applicant

- Submit CTF application to carrier with all required information (e.g., IRS tax exempt statement)
- CTF application is available at www.cpuc.ca.gov/published/rulings/1622.htm

CTF Application Process

Applicant

- Once approved by the CPUC, it is not necessary to re-apply for CTF discounts
- Changes to lines/services, need to file a new application to receive CTF discounts

CTF Application Process

Carrier

- Reviews the information provided by applicant consistent with D.96-10-066 provisions
- If customer appears eligible, the carrier will complete the carrier's section in the CTF application

CTF Application Process

Carrier

- Will retain a copy of the application
- Will forward the original application, with all attachments, to CPUC

CTF Application Process

CPUC

- Will record date and time the application was received from the carrier
- Will review the application in order received & subject to availability of funds

CTF Application Process

CPUC

- Will inform the applicant & carrier of the CTF discount amount approved for the application
- Will base the discount using the beginning of the CTF discount amount on the date the application is received by the CPUC

CTF Application Process

CPUC

- Discounts to qualified schools may begin after the date of receipt of the CTF application by the CPUC
- May periodically audit CTF discounts plus taxes and surcharges/surcredits and any supporting documents

CPUC Complaint Process For CTF Related Issues

Informal Complaints

- Contact your carrier. See your bill for instructions for processing complaints
- If complaint can not be satisfactorily resolved with the carrier, contact CPUC Telecommunications Division. TD staff will investigate as an informal complaint

CPUC Complaint Process For CTF Related Issues

Formal Complaints

- If informal complaint can not be satisfactorily resolved, file a **formal complaint**.
- Mail complaint to the CPUC Docket Office at 505 Van Ness Avenue, San Francisco, CA 94102 or
- Hand-deliver formal complaints to the CPUC L.A. Office (320 West 4th St., Suite 500, Los Angeles, CA 90013) or in the CPUC San Diego Office (1350 Front St., Room 4000, San Diego, CA 92101).

CPUC Complaint Process For CTF Related Issues

Formal Complaints (Cont'd)

- A formal complaint is considered filed only after review and acceptance for filing by the CPUC Docket Office.
- Formal complaints must be in compliance with the CPUC Rules of Practice and Procedure.
- CPUC Rules of Practice and Procedure details the formal complaint process, including form, contents, and time for answers.

CPUC Complaint Process For CTF Related Issues

Formal Complaints

- There is no time limit specified in the CPUC Rules of Practice and Procedure for filing formal complaints.